



**Community Economic Revitalization Board
Rural Broadband Program**

2019-21 Program Policies

Effective July 1, 2019 – June 30, 2021



Janea Delk, Executive Director & Tribal Liaison

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PROGRAM OVERVIEW

CERB's Rural Broadband Program Mission

The 2018 Supplemental Capital Budget (2018: Chapter 298: ESSB 6095, Section 1008) created the CERB administered Broadband Infrastructure Program. The Community Economic Revitalization Board (CERB) may make loans and grants to local governments and federally recognized Indian tribes to build infrastructure to provide high-speed, open-access broadband service, with a minimum of 25 megabits per second download speed, to rural and underserved communities, for the purpose of economic development or community development. Projects are evaluated by the Board every two months, with funds awarded to projects with merit on a first-come, first-served basis.

Eligible projects are those that encourage, foster, develop, and improve broadband within the state in order to:

- Drive job creation, promote innovation, and expand markets for local businesses; or
- Serve the ongoing and growing needs of local education systems, health care systems, public safety systems, industries and businesses, governmental operations, and citizens; and
- Improve accessibility for underserved communities and populations.

Eligible Applicants and Projects

Public entities are eligible to apply for and receive loans and grants to build broadband infrastructure in rural underserved communities linked to community and economic development.

An **unserved area** is an area of Washington in which households or businesses *lack access* to fixed broadband service at speeds that meet the FCC threshold of 25 megabits per second download and 3 megabits per second upload.

An **underserved area** is an area of Washington in which households or businesses do receive service above the FCC threshold but *lack access* to fixed broadband service at speeds 100 megabits per second download and 20 megabits per second upload.

Eligible Applicants	Eligible Infrastructure
<ul style="list-style-type: none"> • Cities and Towns • Counties • Federally Recognized Indian Tribes • Municipal Corporations • Public Port Districts • Quasi-Municipal Corporations • Special Purpose Districts 	<p>Including, but not limited to for the purpose of broadband infrastructure:</p> <ul style="list-style-type: none"> • Cable Modem • Fiber • Wireless • Broadband over Powerlines (BPL)

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Committed Internet Service Provider

To apply for construction funds, an applicant must have a committed Internet Service Provider (ISP).

In order to show that an ISP will partner with the applicant, but will do so only if CERB funding is made available to the applicant, CERB requires a signed Contingency Agreement(s) between the applicant and **each** ISP named in the application. (See [Attachment 1](#) of these policies)

Minimum Speed Requirements

- | | |
|-----------------------------------|-----------------|
| • Cable Modem | 100Mbps /20Mbps |
| • Fiber | 1Gbps/1Gbps |
| • Wireless (fixed wireless, wifi) | 50Mbps/10Mbps |
| • 4G Mobile Wireless | 25Mbps/5Mbps |
| • Broadband over Powerlines (BPL) | 100Mbps/100Mbps |
| • Microwave | 100Mbps/20Mbps |

Ineligible Activities

Project is **ineligible** for CERB if:

- The primary purpose of the project is to facilitate or promote a retail shopping development or expansion.
- Evidence exists that the project would result in a development or expansion that would displace existing jobs in any other community in the state.
- The primary purpose of the project is to facilitate or promote gambling.
- The project is located outside the jurisdiction of the applicant (local government or federally recognized Indian tribe).
- The project is for equipment or facilities, which would enable a public entity to provide retail, telecommunications services or services that the entity is not authorized by statute to provide.
- The project is for the deployment of publicly-owned telecommunication network infrastructure ("backbone") solely for the sake of creating competitive, publicly-owned telecommunication network infrastructure.

Available Funding

\$3,450,000 million was appropriated to CERB for the 2017-2019 Biennium.

The Board has also allocated \$1,725,000 (of the above amount) to be available for construction grants on a first-come, first-served basis.

Funding Limits
<ul style="list-style-type: none"> • \$2 million per project loan/grant award limit • Grant: Up to 50% of total award, determined by the underwriting process and the Debt Service Coverage Ratio. • Match: 25% cash match (percent of total project cost). <ul style="list-style-type: none"> ➤ <i>Example: \$2 million CERB + \$666,667 minimum match = \$2,666,667 Total Project Cost</i>

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LOAN AND GRANT TERMS

Per Project Limits and Loan/Grant Mix

The Rural Broadband Program is primarily a loan program. Grants for construction projects may be awarded, on a case-by-case basis, based on an applicant's financial need. If an applicant is awarded a loan and grant for a project, the loan funds will be distributed before any grant funds are paid out. Once the CERB loan award is exhausted, grant funds may be used.

Loan/Grant Financing Criteria and Eligibility Model

			Loan Years					
Rural County/ Community			1-10 Years		11-15 Years		16-20 Years	
DSCR	Match [†]	Grants	Distressed County***	Non- Distressed County	Distressed County***	Non- Distressed County	Distressed County***	Non- Distressed County
1.0-1.25	25% [†]	50%**	1.00%	1.50%	1.25%	1.75%	1.50%	2.00%
1.26-1.49	25% [†]	25%**	1.50%	2.00%	1.75%	2.25%	2.00%	2.50%
1.50+	25%	0%	2.00%	2.50%	2.25%	2.75%	2.50%	3.00%

* Percentage of the **total** project cost.

** Percentage is of the CERB request.

Criteria that staff uses to determine grant eligibility and interest rate:

- Debt Service Coverage Ratio (DSCR) (See [Attachment 2](#) of these policies)
- Rural Counties/Communities
- Length of Loan Term
- Annual Capital Plan

***Distressed counties are designated by the Washington State Employment Security Department. These counties are those where the three-year unemployment rate is at least 20 percent higher than the statewide average.

[†]Possible exception to the match requirement (for projects under the per project maximum): A match reduction as shown in the below table **could** be considered if a project meets one of the following requirements:

DSCR	Match
1.0-1.25	0% Match
1.26-1.49	12.5% Match

- Applicant and project are serving a distressed community or communities[‡] or other sources; and/or
- The cost per connection is lower than CERB's average cost per connection of \$1,161; and/or
- Demonstrates substantial increase in connection and speed capacity in the future (based on future system expansion plans).
- Source of match funds (not a criteria, information only)

[‡] A distressed community is considered mid-tier or lower as determined by the Distressed Communities Index (<https://eig.org/dci/2018-dci-map-national-zip-code-map>).

Deferrals

In unique circumstances, CERB may approve deferral of loan payments for up to three (3) years. Interest on the loan continues to accrue during any deferral period and the first payment due after the deferral

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shall consist of interest only. Subsequent payments will be principal and interest for the duration of the loan term. No loan term shall exceed 20 years, including any deferral period.

Deferrals are based on financial need of the applicant. The applicant is asked to explain the financial need for a deferral in the application. If a deferral is requested, staff will take this into consideration during the underwriting process.

Loan Security

General Obligation Loans

CERB loans are a general obligation of the taxing authority of the applicant. Applicants without taxing authority are not eligible for general obligation loans from CERB, unless the Board approves special circumstances, such as a loan guarantee authorized by a body with taxing authority.

Revenue Based Loans

All loans made by CERB will be secured according to the Board's policy for general obligation loans. Any request for deviation from this policy must be fully justified by the municipal entity requesting the loan and included within the loan application.*

If a revenue-based loan is requested, and the application contains bond counsel's opinion that the debt will not exceed the entity's legal borrowing capacity, it is the Board's policy that any such loan shall be a senior lien obligation payable from all revenues legally available to the requesting municipal entity. The Board will generally not consider requests for loans secured solely by revenues of the activity to be financed.

If a junior lien revenue pledge for the proposed borrowing is requested, the borrowing entity must provide an opinion from bond counsel that issuance of additional parity senior lien revenue debt in the amount requested would violate one or more covenants of the outstanding debt, with appropriate explanation included.

All revenue-based loan requires a cash flow projection for the five (5) years following completion of the proposed project. Projections must reflect the revenue(s) of any lease agreement(s) with the committed private partner (ISP) pertaining to the project. Cash flow must demonstrate at least 120% annual coverage of debt service on the proposed loan and any information on other outstanding revenue-backed obligations must be provided as part of the application. Prospective developments are not eligible for revenue-based loans.

** When requesting deviation from the general obligation loan policy, i.e., to request a revenue-based loan, the district must submit an opinion of the requesting municipal entity's bond counsel that the amount of the requested loan would not exceed the requesting municipal entity's legal borrowing capacity. An opinion from bond counsel will be required in all cases.*

Match Requirements

The applicant must identify a cash match of 25% of the total project cost. CERB may require a **cash match** for projects; this is **determined by** the underwriting process and the Debt Service Coverage Ratio.

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When the underwriting process is complete, the applicant will be offered a loan/grant package, which will include the required match amount, if applicable. If match is required, evidence of the match being secured will be included in the pre-contract conditions, and approved by CERB. Any secured funds for the public project approved by CERB, including other state or federal loans and grants, may be considered matching funds.

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APPLICATION REQUIREMENTS

CERB will only consider projects that submit complete applications before or on the due date and meet the minimum threshold criteria. Staff is responsible for determining whether or not applications are complete and pass threshold.

All applications must be approved by the local government, and supported by the local [Associate Development Organization \(ADO\)](#) or be approved by the governing body of a federally recognized Indian tribe.

Rural Counties and Communities

Rural counties are defined as those with a population density of fewer than 100 persons per square mile or a county smaller than 225 square miles, as determined by the Office of Financial Management ([RCW 43.160.020](#)). In addition, the Board has defined rural communities in urban counties as those that meet any one of the following standards:

- Cities within an urban county that have a population of 19,999 or less.
- Federally recognized Indian tribes within an urban county.

The following cities and towns in urban counties are designated as rural communities:

- Benton County: Benton City, Prosser, West Richland
- Clark County: La Center, Ridgefield, Washougal, Yacolt
- King County: Algona, Beaux Arts Village, Black Diamond, Carnation, Clyde Hill, Duvall, Enumclaw, Hunts Point, Lake Forest Park, Medina, Newcastle, Normandy Park, North Bend, Pacific, Skykomish, Snoqualmie, Tukwila, Woodinville, Yarrow Point
- Kitsap County: Port Orchard, Poulsbo
- Pierce County: Buckley, Carbonado, DuPont, Eatonville, Edgewood, Fife, Fircrest, Gig Harbor, Milton, Orting, Roy, Ruston, South Prairie, Steilacoom, Sumner, Wilkeson
- Snohomish County: Arlington, Brier, Darrington, Gold Bar, Granite Falls, Index, Monroe, Snohomish, Stanwood, Sultan, Woodway
- Spokane County: Airway Heights, Cheney, Deer Park, Fairfield, Latah, Liberty Lake, Medical Lake, Millwood, Rockford, Spangle, Waverly
- Thurston County: Bucoda, Rainier, Tenino, Yelm
- Whatcom: Blaine, Everson, Ferndale, Lynden, Nooksack, Sumas

Federal Recognized Tribes in urban counties are designated as rural communities:

- Clark County: Cowlitz Indian Tribe
- King County: Muckleshoot Tribe, Snoqualmie Tribe
- Kitsap County: Suquamish Tribe
- Pierce County: Puyallup Tribe
- Snohomish County: Tulalip Tribe, Sauk-Suitattle Tribe, Stillaguamish Tribe
- Spokane County: Kalispel Tribe of Indians, Spokane Tribe
- Thurston County: Chehalis Confederated Tribes, Nisqually Tribe, Squaxin Island Tribe
- Whatcom County: Nooksack Indian Tribe, Lummi Nation

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Telecommunication Providers

Before an application is submitted for funding, the applicant must contact all existing fixedline providers in the project area, no later than six weeks before the application deadline

CERB has provided a template for the letter, which the applicant will **send by email to providers**. There is also a template to send to the provider for the provider response back to the applicant. (Please also send a copy of the correspondence by email to Janea.Delk@commerce.wa.gov. Responses back from providers should also be copied to Janea.Delk@commerce.wa.gov.)

The letter asks for each broadband service provider's plan to upgrade broadband service in the project area to speeds that meet or exceed the state's broadband goals no later than June 30, 2020 (the same timeframe as the 2017 broadband grant period).

See [Attachment 3](#) in these policies for the Provider Letter Templates.

Greenhouse Gas Emissions Reduction

[RCW 70.235.070](#) requires competitive state infrastructure funding programs to take into consideration the reduction of Greenhouse Gas (GHG) Emissions in the project selection process. CERB applicants must document activities undertaken intended to reduce GHG emissions, including providing any related adopted policies or standard. Below are some examples of such activities:

- Commute Trip Reduction (CTR) program
- Converting to LED lighting
- Converting to Hybrid vehicles
- Using energy efficient pumps
- Recycling

Growth Management Act (GMA) Compliance

As provided in [RCW 43.17.250](#), the Board shall, for appropriate jurisdictions, consider whether the applicant has adopted a comprehensive plan and development regulations as required by the GMA. Staff will verify GMA compliance as part of the application review.

Economic Development Project Permitting

As required in [RCW 43.160.060](#), CERB must evaluate projects based on whether or not their permitting processes are compliant with Chapter 231, Laws of 2007. This requirement is that permit applicants be provided with the following information when applying for a development permit from a city, county, or state agency:

- The minimum and maximum time an agency will need to make a decision on a permit, including public comment requirements;
- The minimum amount of information required for an agency to make a decision on a permit;
- When an agency considers an application complete for processing;
- The minimum and maximum costs in agency fees that will be incurred by the permit applicant; and
- The reasons for the denial of a permit given in writing.

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CERB requires this only of cities, towns, and counties. The Board evaluates this based on a self-certification completed by the applicant.

Other Funding Criteria for Construction Projects

- The project's value to the community, including evidence of support from affected local businesses and government;
- The project's feasibility, using standard economic principles;
- Commitment of local matching resources and local participation;
- The project's inclusion in a capital facilities plan, comprehensive plan, or local economic development plan consistent with applicable state planning requirements; and
- The project's readiness to proceed.
- Before any financial assistance application is approved, the local government or the federally recognized Indian tribe seeking the assistance must demonstrate to the Community Economic Revitalization Board that no other timely source of funding is available to it at costs reasonably similar to financing available from the Community Economic Revitalization Board.

See [Attachment 4](#) of these policies for the Rural Broadband Program Threshold Checklist.

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APPLICATION PROCESS

Due Dates

- Applications are due approximately 60 days prior to the CERB meeting, at which the application will be considered.

Application [due dates](#) are published on the Board's annual meeting schedule and are posted to the [CERB website](#).

Staff Recommendation

Once the application has passed the threshold review, staff will work with the applicant to vet the application and the project. Staff will write a staff recommendation to the Board, the applicant will be able to review the staff recommendation prior to submission to the Board.

Applicant Attendance at the Board Meeting

Applicants are **required** to attend the Board meeting at which their project is being considered. Applicant presentations to the Board are not required, but generally are given. Applicant presentations are limited to 20 minutes.

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AFTER BOARD APPROVAL

Initial Offer of Financial Aid (IOFA)

Upon project approval by the Board, an Initial Offer of Financial Aid will be sent to the award recipient. The Initial Offer must be signed by the recipient within 45 days of the award. If the Initial Offer is not signed within this time period, it will be assumed that the award recipient has chosen to withdraw from the project.

Readiness to Proceed

Prior to execution of a final contract, award recipients must meet pre-contract conditions within six months of the award decision.

Extension Requests

The award recipient must have all pre-contract conditions fulfilled within the time period specified in the Initial Offer of Financial Aid. If an extension of time to meet the pre-contract conditions is necessary, the award recipient may make a request in writing, three (3) weeks prior to the pre-contract conditions due date. When the Board considers extensions to the Initial Offer, the standard extension period is six months.

In exceptional circumstances, an extension of up to one year may be granted; however, the Board will be explicit in its reasoning for such an exception. Generally, the Board will not consider extensions beyond 12 months.

The Board must approve the extension of the Initial Offer by the pre-contract conditions due date, or the offer shall be considered withdrawn.

Archaeological & Cultural Resources

In order to protect the rich cultural heritage of Washington State, Governor Christine Gregoire signed Governor's Executive Order 05-05 (GEO 05-05). All projects awarded state capital funds must have consultation conducted with the [Department of Archaeology & Historic Preservation \(DAHP\)](#) and any [Federally recognized Indian tribes](#) that may have cultural/historic interest or concerns in your project's vicinity.

However, if your project, through federal involvement, will be subject to Section 106 of National Historic Preservation Act, that *may* satisfy the GEO 05-05 process.

Please remember that the GEO 05-05 process must be completed prior to the start of construction.

Process Administration

- The funding recipient starts the process by submitting an [EZ-1 form](#) to the CERB Executive Director & Tribal Liaison.

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- **The CERB Executive Director & Tribal Liaison will conduct the consultation with DAHP and the Tribes.**

DAHP Consultation

The GEO 05-05 process requires funding recipients define the construction project area for potential impact and identify any building or structures 45 years or older that are located within the project site. For projects that plan to alter structure 45 years of age or older, an online inventory survey must be completed, by the funding recipient.

DAHP can issue a broad range of responses to the submittal. A common response is a "No Effect Upon Cultural/Historic Properties" letter. If you receive such a letter, you have completed the DAHP portion of the review.

If DAHP requires more information (completion of additional forms, cultural survey, inadvertent discovery plan, etc.) you must comply with the request. It is possible that you will need to hire a professional archaeologist to address this. Only when DAHP concurs with the additional materials provided is the DAHP portion of GEO 05-05 complete.

Tribal Consultation

Tribal consultation is initiated by sending a letter, including any project information describing the location, extent of the project to the potential affected [federally recognized Indian tribes\(s\)](#), and a map of the impacted area.

See [Attachment 5](#) of these policies for Cultural Resource Review Checklist.

See [Attachment 6](#) of these policies for CERB EZ-1 Form.

See [Attachment 7](#) of these policies for the Inadvertent Discovery Language.

The Tribe(s) will be allowed a minimum of 30 days to respond. There may be no response, or there may be a wide range of responses to the information provided. As with DAHP, if additional materials are required, they must be provided to the Tribe(s) and they must concur with the findings.

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CONTRACT REQUIREMENTS

Once CERB funds have been committed to a project and pre-contract conditions have been met, the Board will execute a contract with the award recipient. The following requirements are highlighted:

Project Commencement

Projects must commence within six months of contract execution. The Board may approve extensions on a case-by-case basis upon written request.

Matching Funds

The Recipient must meet the identified match commitment over the project period. Match expenditures must be documented in a form acceptable to CERB.

See [Attachment 8](#) of these policies for the CERB Funds & Match Tracking Form.

Disbursement of CERB Funds

CERB funds are disbursed on a reimbursement basis-only for eligible costs within the approved project's scope of work. CERB funds will be reimbursed and the identified match funds will be paid out, in concert at the same percentages as the total project cost split, until CERB funds or matching funds are exhausted. Exceptions to this requirement may be granted by the Executive Director & Tribal Liaison on a case-by-case basis. The Recipient must meet the identified match commitment over the project period.

Reimbursement includes both invoices that have been paid and invoices due within 30 days of reimbursement request.

If a project has been awarded a combination of loan and grant funds, loan funds will be disbursed prior to grant funds.

See [Attachment 9](#) of these policies for the reimbursement Instructions.

Repayment

Unless a deferral has been approved by the Board, annual loan repayments begin 13-19 months following the first disbursement of loan funds. If the first disbursement occurs between January 1 and June 30, the first loan repayment will be due July 31 of the following year. If the first disbursement occurs between July 1 and December 31, the first loan repayment will be due January 31 of the year following the first anniversary of disbursement.

Example: If Project A draws CERB loan funds on March 1, 2017 their first loan payment will be due on July 31, 2018. If Project B draws CERB loan funds on September 10, 2017 their first loan payment will be due on January 31, 2019.

See [Attachment 10](#) of these policies for a sample amortization schedule.

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Eligible Costs

Eligible activities include the construction of the broadband infrastructure identified in these policies and in the approved project scope of work.

See [Attachment 11](#) of these policies for a list of eligible and ineligible costs for construction projects.

Reporting

After contract execution, projects must provide quarterly progress reports to CERB by the following dates:

- January 15
- April 15
- July 15
- October 15

Quarterly reports shall be submitted in a format approved by CERB and are to be submitted until the project is completed.

A final project report must be submitted with the final request for reimbursement.

CERB will collect project outcome data for a minimum of five years after the public project is completed. See [Post-Project Data Reporting Requirements](#) for more detail.

Retainage

Ten percent (10%) of the CERB award will be withheld until the CERB-funded project is completed and a final project report and other deliverables identified in the contract have been submitted to CERB. Final project reports must be submitted on forms provided by CERB.

Project Completion

Construction projects must be complete within four (4) years of contract execution.

Exceptions may be granted on a case-by-case basis by the Board.

Facilities Constructed with CERB Funds

Facilities constructed with CERB funds must be used for the purpose that was originally identified in the CERB application for a period of 10 years from date of final contract execution. If a facility is converted within that time period without prior approval, the Board will insist upon immediate repayment of all loan and grant funds awarded to project.

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Post-Project Data Reporting Requirements

In addition to quarterly project updates throughout the construction of a CERB-funded project, the Board continues to collect project outcomes for five years **after** the public project is complete. These outcomes are reported to the governor and the legislature and include:

Construction Projects

Number of ISPs currently serving the market.

Numbers of passings and current speed of service being provided.

To include:

- Households
- Businesses
- Anchor Institutions

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Attachment 1: Contingency Agreement

Contingency Agreement

In order to show that an Internet Service Provider (ISP) will partner with the applicant, but will do so only if CERB funding is made available to the applicant, CERB requires a signed Contingency Agreement(s) between the applicant and **each** Internet Service Provider named in the application.

The contingency agreements must contain the following terms:

1. PARTIES

The parties to this Agreement are *THE APPLICANT* and *THE INTERNET SERVICE PROVIDER*.

2. PURPOSE

The purpose of this Agreement is to clarify the intentions of the parties regarding the completion of *THE BROADBAND PROJECT*. This section should also contain an explanation of the need for the public improvements.

3. BACKGROUND

The purpose of this section is to provide a description of the public improvements which can be referenced, hereafter, as the “rural broadband project.”

4. AGREEMENT

This section must contain the following:

- a) A statement that the applicant agrees to construct the required broadband infrastructure providing that CERB financing is approved.
- b) A statement by the ISP of the projected number of passings, as a result of the broadband infrastructure project. (*Job estimates identified here must equal those in the application*)
- c) A statement by the ISP of the estimated lease payments to the applicant.
- d) An agreement by the ISP to provide the applicant with passing data as requested by CERB for a period no less than five years following the completion of the public facilities project.
- e) If applicable, this section must also contain a list of any public and/or private contributions to the broadband infrastructure project, such as cash contribution or donated land.

5. CONTINGENCY

This Agreement is contingent upon receipt of CERB funds by *THE APPLICANT* and is intended to provide convincing evidence of a committed ISP, as required by CERB.

The Agreement must be signed by all parties.

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Attachment 2: Debt Service Coverage Ratio Worksheet

<u>Table 1. Loan Information</u>	
CERB Loan Request:	\$
Term:	\$
Interest Rate:	\$
Other Annual Loan Payments associated with this project: _____	\$
<u>Table 2. Operating Ratio</u>	
year _____ Operating Income:	\$
year _____ O & M Expense:	\$
<i>Source of data: Profit and Loss or Income Statement.</i>	
<u>Table 3. Debt Ratio</u>	
year _____ Total Debt:	\$
year _____ Total Assets	\$
<i>Source of data: Balance Sheet.</i>	
<u>Table 4. Current Ratio</u>	
year _____ Current Assets (Cash & Cash Equivalents):	\$
year _____ Current Liabilities (debt, etc. to be paid w/in 1 year):	\$
<i>Source of data: Balance Sheet.</i>	
<u>Table 5. Debt Service Coverage Ratio:</u>	
year _____ Total Operating Revenue:	\$
year _____ Total Operating Expenses:	\$
year _____ Net Operating Income:	\$
year _____ Short Term Debt, Est. 201_ CERB and Other Loan Payment:	\$
<i>Source of data: Recent Adopted Budget or Profit and Loss/Income Statement and Balance Sheet.</i>	

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Attachment 3: Broadband Provider Letter Templates

CONTACT LETTER TEMPLATE FROM THE APPLICANT to EXISTING PROVIDERS in the Proposed Project Area (and please copy to janea.delk@commerce.wa.gov)

(DATE)

(Broadband Provider Name)

(Broadband Provider Address)

RE: Broadband Coverage for (insert name of project)

To (name of broadband provider):

We are interested in applying for CERB Rural Broadband funding. Under requirements put in place for this funding program, an interested applicant must contact, in writing, entities providing broadband service in their proposed project area:

1. To see if there are any plans in place to upgrade broadband service in the project area to speeds that meet or exceed the program's broadband speed goals.
2. To see you would be interested in partner with us on this project.

Our project is to build high-speed, open access broadband infrastructure by (estimated project completion date), in the following area:

[Include description and map of project area]

Whether or not you have plans to upgrade broadband service in our proposed project area, we would appreciate a response to assist with our planning process and to include with our application. Attached for your convenience is a form that can be used for your response.

If you have any questions, or wish to discuss in more detail, please contact me at:

(Provide contact information here or in signature line, including name, address, telephone number, email address.)

Sincerely,

(Your Name)

(Your Title)

cc: janea.delk@commerce.wa.gov

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BROADBAND PROVIDER RESPONSE TEMPLATE that THE APPLICANT SENDS TO PROVIDERS with the contact letter above, that THE PROVIDERS USE TO SEND COPIES OF THEIR RESPONSE BACK TO THE APPLICANT and to CERB, to:
janea.delk@commerce.wa.gov)

Instructions to applicants: Please send via email this response template below to the existing ISPs with your contact letter (template above). Ask them to use this template to respond back to you and to also send a copy of their response to the Community Economic Revitalization Board at [Janea.delk@commerce.wa.gov](mailto:janea.delk@commerce.wa.gov)

(DATE)

(Local Government Name)

(Local Government Address)

RE: Broadband Coverage for (insert name of project)

Information on current broadband coverage:

- ☐ We do not currently provide broadband service in the area associated with this project.
- ☐ We do provide broadband service in all or a portion of the area associated with this project at speeds of ____download and ____ upload. Our records show approximately ____ locations in the proposed project area where we serve. (If only a portion of the project area is served, please provide a map showing where you currently serve.)

Information on planned improvements to broadband coverage:

- ☐ We have no plans to improve the broadband service in the area included in the proposed project to speeds that meet or exceed the state speed goals prior to (estimated project completion date).
- ☐ We do have plans to improve the broadband service in the project area by (insert date). The broadband service speeds that will be provided after that date will be ____ Mbps download and ____ Mbps upload. (If the speeds that will be offered vary across the project area, please provide a map showing which speeds will be available where and the location counts for each of the different speeds that will be offered.)
- ☐ We would be interested in partnering with (name of applicant) on this project.

Name and contact information for person completing this form:

Name:

Title:

Address:

Email:

Phone:

cc: janea.delk@commerce.wa.gov

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Attachment 4: Rural Broadband Threshold ChecklistProject is **ineligible** for CERB if:

- The project's primary purpose is to promote or facilitate a retail shopping development or expansion.
- The project would displace existing jobs in another part of the state.
- The project's primary purpose is to promote or facilitate gambling.
- The project is located outside of the jurisdiction of the applicant.
- The project is for equipment or facilities which would enable a public entity to provide retail, telecommunications services or services that the entity is not authorized by statute to provide.
- The project is designed for deployment of publicly-owned telecommunication network infrastructure ("backbone") solely for the sake of creating competitive, publicly-owned telecommunication network infrastructure.

Eligible Applicants: Port districts, counties, cities, towns, special purpose districts, tribes and any other municipal corporations or quasi-municipal corporations.

Eligible Projects: "Broadband" means networks of deployed telecommunications equipment necessary to provide high-speed Internet access and other advanced telecommunications services.

Including, but not limited to:

- Cable Modem
- Fiber
- Wireless
- Broadband over Powerlines (BPL)

Threshold Requirements

Threshold Requirements	
<input type="checkbox"/>	Eligible applicant type
<input type="checkbox"/>	Eligible rural county or rural community
<input type="checkbox"/>	Eligible project type
<input type="checkbox"/>	Unserved or underserved community
<input type="checkbox"/>	Committed Internet Service Provider (ISP)
<input type="checkbox"/>	Requested CERB loan does not exceed \$2 million (<i>\$2 million includes any grant</i>)
<input type="checkbox"/>	Committed cash match up to 25% of total project cost
<input type="checkbox"/>	In conformance with GMA (applies to cities, towns, counties only)
<input type="checkbox"/>	Completed/Submitted Readiness Self-Assessment
<input type="checkbox"/>	Completed/Submitted plan, that meets CERB Requirements.

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<input type="checkbox"/>	Completed/Submitted Management Plan
<input type="checkbox"/>	Submitted Broadband Provider Contact letter(s)
<input type="checkbox"/>	No significant audit findings over past 3 years (will not deny based on this, but will flag in staff analysis)
<input type="checkbox"/>	If revenue loan is requested, a cash flow projection for the five (5) years following completion of the proposed project. Projections must reflect the revenue(s) of any lease agreement(s) with the committed private partner (ISP) pertaining to the project. Cash flow must demonstrate at least 120% annual coverage of debt service on the proposed loan and any information on other outstanding revenue-backed obligations must be provided as part of the application.
<input type="checkbox"/>	Greenhouse gas policies adopted
<input type="checkbox"/>	Project would not displace existing jobs in any other part of the state
<input type="checkbox"/>	If a grant or a loan deferral is requested, justification based on financial need is attached.
<input type="checkbox"/>	Resolution authorizing application
<input type="checkbox"/>	Demonstration that funds are not available from other sources at rates reasonably similar to CERB's (Federal, State, Local, Bond Market, Financial Institutions)
<input type="checkbox"/>	A letter from the applicant's bond underwriter describing the costs associated with issuing a bond for the portion of project funding being requested from CERB. Include associated fees, debt service deposit, and amount available for construction, interest rate and bond term. (ONLY REQUIRED FOR APPLICANTS <u>NOT</u> ISSUING BONDS FOR THE PROJECT DESCRIBED IN THIS APPLICATION)
<input type="checkbox"/>	Support letter from local ADO or local workforce development council or approved by Governing body of the federally recognized Indian tribe.
<input type="checkbox"/>	Application is complete and received by the deadline

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Attachment 5: Cultural Resource Review Checklist

1a. Section 106 of the National Historic Preservation Act (Federal Funding)

The project is subject to Section 106 of the National Historic Preservation Act

- ☐ Provide CERB Executive Director & Tribal Liaison with letter certifying Section 106 requirements have been completed.
- ☐ The CERB Executive Director & Tribal Liaison reviews submitted documentation, and concurs that no other steps need to be taken.
- ☐ Process Complete

1b. Executive Order 05-05 (State Funding)

Department of Archaeology and Historic Preservation (DAHP) Consultation

Step 1b-1:

- ☐ Client submits, by email, Form EZ-1 to CERB Executive Director & Tribal Liaison
- ☐ If a historic property is involved, Client will need to submit information for the EZ-2 form to CERB
- ☐ CERB Executive Director & Tribal Liaison will verify that the online inventory was completed
- ☐ CERB Executive Director & Tribal Liaison will initiate consultation with DAHP

Step 1b-2a:

DAHP issues a “No Effect upon Cultural/Historic Properties” letter

- ☐ DAHP consultation complete

Step 1b-2b:

DAHP requires further information (may occur several times)

- ☐ Provide requested information to DAHP and the CERB Executive Director & Tribal Liaison

Step 1b-3:

DAHP issues final concurrence letter

- ☐ DAHP consultation complete

2. Federally-recognized Indian Tribes consultation (may involve multiple Tribes)

Step 2a:

- ☐ CERB Executive Director & Tribal Liaison will initiate consultation with the Tribe(s) and will send notification to:
 - Tribal Cultural Resource Contact
 - Tribal Historic Preservation Officer
 - Tribal Chair
 - Applicant

Step 2b:

No response received from Tribe after at least 30 days

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- ☐ CERB Executive Director & Tribal Liaison will follow-up with a phone call and email
No response received from Tribe after at least 60 days
- ☐ CERB Executive Director & Tribal Liaison will follow-up with a phone call and email
- ☐ Tribal consultation complete

Step 2c:

Tribe issues “No Impact” letter

- ☐ Tribal consultation complete

Step 2d:

Tribe requests further information (may occur several times)

- ☐ Provide requested information to the CERB Program Manager
- ☐ Tribal consultation complete

Step 2e:

Tribe issues final concurrence letter

- ☐ Tribal consultation complete

3. Cultural Resource Review Process Completion

Funding recipient has completed:

- ☐ Section 106 or

CERB has completed:

- ☐ DAHP Consultation, and
- ☐ Tribal Consultation

4. Next Steps

CERB Executive Director & Tribal Liaison has confirmed that the Cultural Resource Review Process has been completed.

- ☐ Funding recipient may begin construction.

Funds cannot be reimbursed* until:

- All other pre-contract conditions have been met.
- A CERB contract has been executed.

*Funds cannot be reimbursed for costs incurred prior to the initial offer date.

If you have any questions, please contact:

Janea Delk, CERB Executive Director & Tribal Liaison
360-725-3151 or Janea.Delk@commerce.wa.gov

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Attachment 6: CERB EZ-1 Form

PROJECT REVIEW SHEET – EZ1

HISTORIC & CULTURAL RESOURCES REVIEW

PROPERTY / CLIENT NAME:

FUNDING AGENCY: Community Economic Revitalization Board (CERB)

Project Applicant:

Contact Person:

Address:

Phone:

E-Mail:

County:

Funding Agency: DAHP will *email* responses directly to the agency/organization contact listed here. The Project Applicant will be copied on the response.

Organization: Community Economic Revitalization Board (CERB)

Phone: 360-725-3151

Contact: Janea Delk, Executive Director & Tribal Liaison

PLEASE DESCRIBE THE TYPE OF WORK TO BE COMPLETED

(Be as detailed as possible to avoid having to provide additional information)

Please describe the proposed work and detail ALL ground disturbing activities.

If building(s) over 45 years old will be altered or demolished, please complete a DAHP EZ-2 form in WISAARD for each building affected before submitting this form.

Please include the Project Number generated by WISAARD for the EZ-2 form here:

Provide a detailed description of the proposed project. Include the dimensions of the area to be disturbed:

Describe the existing project site conditions (including building age, if applicable):

Describe in detail the proposed ground disturbing activities (length, width, and depth of proposed ground disturbance).

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PLEASE ATTACH A MAP of the PROJECT AREA

(Use Google Maps to find the location, then capture the image with the Snipping Tool or other screen capture method. Click [HERE](#) for Snipping Tool Tutorial if needed.)

Project Location

Township: Range: Section:

(Please include TRS if the project when an address is not available or may not help locate the property.)

Please draw a line around the project area.

Address: City: County:

CLICK in the box to upload a MAP. FILE must be a PDF format.

eMail this form to:

Janea Delk, Executive Director & Tribal Liaison
360-725-3151

Janea.Delk@commerce.wa.gov

NOTE: To save this fillable form you must fill it out in Adobe Acrobat or use the PRINT to PDF function in Acrobat Reader. In Reader choose File>Print and choose Adobe PDF as the printer. The file will save to your computer.

Please be aware that this form may only initiate consultation. For some projects, DAHP may require additional information to complete our review such as plans, specifications, and photographs. An historic property inventory form may need to be completed by a qualified cultural resource professional.



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Attachment 7: Inadvertent Discovery Language

Post copies of this plan throughout the construction area.

If ground disturbing activities encounter human skeletal remains during the course of construction, then all activity will cease that may cause further disturbance to those remains. **The area of the find will be secured and protected from further disturbance.**

The finding of human skeletal remains will be reported to the **county medical examiner/coroner** and local law enforcement in the most expeditious manner possible. The remains will not be touched, moved, or further disturbed.

The county medical examiner/coroner will assume jurisdiction over the human skeletal remains and make a determination of whether those remains are forensic or non-forensic.

If the county medical examiner/coroner determines the remains are non-forensic, then they will report that finding to the **Department of Archaeology and Historic Preservation (DAHP)** who will then take jurisdiction over the remains.

The DAHP will notify any appropriate cemeteries and all affected tribes of the find. The State Physical Anthropologist will make a determination of whether the remains are Indian or Non-Indian and report that finding to any appropriate cemeteries and the affected tribes. The DAHP will then handle all consultation with the affected parties as to the future preservation, excavation, and disposition of the remains.

In the event any archaeological or historic materials are encountered during project activity, work in the immediate area (initially allowing for 10' buffer, this number may vary by circumstances) must stop and the following actions taken:

1. Implement reasonable measures to protect the discovery site, including and appropriate stabilization of covering.
2. Take reasonable steps to ensure the confidentiality of the discovery site.
3. Take reasonable steps to restrict access to the site of the discovery.

The project proponent will notify the concerned Tribes and all appropriate county, state, and federal agencies, including the Department of Archeology and Historic Preservation (SHPO for Washington). The agencies and the Tribe(s) will discuss possible measures to remove or avoid cultural material, and will reach an agreement with the project proponent regarding actions to be taken and disposition of the material.

See Revised Code of Washington, Chapter 27.53 "[Archaeological Sites and Resources](#)," for applicable state laws and statutes. See Washington Executive Order 05-05, "Archaeological and Cultural Resources." Additional state and federal law(s) may also apply.

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When to stop work:

Construction work may uncover previously unidentified Native American or Euro-American artifacts. This may occur for a variety of reasons, but may be associated with access restrictions during project development, or if the area contains impervious surfaces throughout most of the project area which would have prevented standard archaeological site discovery methods.

Work must stop when the following types of artifacts and/or features are encountered:

Native American artifacts may include (but are not limited to):

- Flaked stone tools (arrowheads, knives, scrapers, etc.).
- Waste flakes that resulted from the construction of flaked stone tools.
- Ground stone tools like mortars and pestles.
- Layers (strata) of discolored earth resulting from fire hearths. May be black, red or mottled brown and often contain discolored cracked rocks or dark soil with broken shell.
- Human remains.
- Structural remains- wooden beams, post holes, fish weirs, etc.

Euro-American artifacts may include (but are not limited to):

- Glass (from bottles, vessels, windows, etc.).
- Ceramic (from dinnerware, vessels, etc.).
- Metal (nails, drink/food cans, tobacco tins, industrial parts, etc.).
- Building materials (bricks, shingles, etc.).
- Building remains (foundations, architectural components, etc.).
- Old wooden posts, pilings, or planks (these may be encountered above or below water).
- Even what looks to be old garbage could very well be an important archaeological resource.
- Remains of ships or sea-going vessels, marine hardware, etc.
- Old farm equipment may indicate historic resources in the area.

When in doubt, call it in!

CONTACTS:

Project Proponent:

Jurisdiction: _____

Contact Name: _____

Phone/Email: _____

Community Economic Revitalization Board (CERB)

Janea Delk, Executive Director & Tribal Liaison

360.725.3151 or janea.delk@commerce.wa.gov

Department of Archeology and Historic Preservation (DAHP)

Allyson Brooks, Ph.D., State Historic Preservation Officer/Director

360.586.3066 or Allyson.brooks@dahp.wa.gov

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Attachment 9: Reimbursement Instructions

CERB Contract, Reimbursement and Reporting Process and Policies

Once CERB funds have been committed to a project and pre-contract conditions have been met, the Board will execute a contract with the client. The following requirements are highlighted:

Project Commencement

Projects must commence within **six months** of contract execution. The Board may approve extensions on a case-by-case basis upon written request.

Dedicated Account for Loan Repayment

As a general condition, all Contractors must establish a dedicated fund* for CERB repayments. Contractors, unless guaranteed by another entity, must retain one year's repayment in the account at all times. **Per the Washington State Budgeting, Accounting, and Reporting System (BARS).*

Matching Funds

The Recipient must meet the identified match commitment over the project period. Match expenditures must be documented in a form acceptable to CERB.

Disbursement of CERB Funds

CERB funds are disbursed on reimbursement basis-only for eligible costs within the approved project's scope of work. CERB funds will be reimbursed and the identified match funds will be paid out, in concert at the same percentages as the total project cost split, until CERB funds or matching funds are exhausted. Exceptions to this requirement may be granted by the Program Directory & Tribal Liaison on a case-by-case basis.

The Recipient must meet the identified match commitment over the project period.

Reimbursement includes both invoices that have been paid and invoices due within 30 days of reimbursement request. (ONLY submit invoices)

If a project has been awarded a combination of loan and grant funds, loan funds will be disbursed prior to grant funds.

A-19 Reimbursement Requests

The following needs to accompany **every** submitted A-19:

- Match & CERB Tracking Sheet (attached)
- All invoices that are listed on the above tracking sheet; these invoices **must** equal the match amount and requested reimbursement amount listed on the A-19.

The completed *A-19 Invoice Voucher* and supporting vendor billings should be directed to:

Janéa Delk
Executive Director & Tribal Liaison
CERB
PO Box 42525
Olympia, WA 98504-2525

Reporting

Projects must provide quarterly progress reports to CERB by the following dates:

- January 15
- April 15

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- July 15
- October 15

Quarterly reports shall be submitted until the project is completed.

Retainage

Ten percent (10%) of the CERB award will be withheld until the CERB-funded project is completed and a final project report and other deliverables identified in the contract have been submitted to CERB. Final project reports must be submitted on forms provided by CERB.

Project Completion

Construction projects must be complete within four (4) years of contract execution.

A final project report must be submitted with the final request for reimbursement.

Facilities Constructed with CERB Funds

Facilities constructed with CERB funds must be used for the purpose that was originally identified in the CERB application for a period of **10 years from date of final contract execution**. If a facility is converted within that time period without prior approval, the Board will insist upon immediate repayment of all loan and grant funds awarded to project.

Post-Project Data Reporting Requirements

In addition to quarterly project updates throughout the construction of a CERB-funded project, the Board continues to collect project outcomes for five years after the public project is complete. These outcomes are reported to the governor and the legislature and include:

Construction Projects

- Public match
- Actual FTEs
- Private Investment
- Average Wage
- Other Businesses sited to Location

If you have any questions, please contact:

Janéa Delk
Executive Director & Tribal Liaison
360-725-3151
Janea.Delk@commerce.wa.gov

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Attachment 10: Sample Amortization Schedule

Estimated Repayment Schedule - Level Annual Payments

No Deferral

Name of Borrower: Project A

CERB Project Number:

Enter Original Principal Amount	2,000,000.00
Enter Annual Interest Rate	3.00%
Enter the term of contract	20 (Note: Contract term in years)
Enter # periods per year	1 (Note: Number of payments per year.)
APPROVAL DATE	7/16/2017 (Note: Date of Project Approval)
Enter first disbursement date	3/20/2016 (Note: Date the first disbursement was made)
DATE of FIRST Payment	7/31/2019 (Note: Date of first repayment)
Annual Payment	\$134,431.42

Pmt No	Payment Due Date	Beginning Balance	Interest Paid	Principal Paid	Ending Principal Balance	Total Payment
1	7/31/19	2,000,000.00	60,000.00	\$74,431.42	1,925,568.58	\$134,431.42
2	7/31/20	1,925,568.58	57,767.06	\$76,664.36	1,848,904.22	\$134,431.42
3	7/31/21	1,848,904.22	55,467.13	\$78,964.29	1,769,939.93	\$134,431.42
4	7/31/22	1,769,939.93	53,098.20	\$81,333.22	1,688,606.71	\$134,431.42
5	7/31/23	1,688,606.71	50,658.20	\$83,773.22	1,604,833.49	\$134,431.42
6	7/31/24	1,604,833.49	48,145.00	\$86,286.42	1,518,547.07	\$134,431.42
7	7/31/25	1,518,547.07	45,556.41	\$88,875.01	1,429,672.06	\$134,431.42
8	7/31/26	1,429,672.06	42,890.16	\$91,541.26	1,338,130.80	\$134,431.42
9	7/31/27	1,338,130.80	40,143.92	\$94,287.50	1,243,843.30	\$134,431.42
10	7/31/28	1,243,843.30	37,315.30	\$97,116.12	1,146,727.18	\$134,431.42
11	7/31/29	1,146,727.18	34,401.82	\$100,029.60	1,046,697.58	\$134,431.42
12	7/31/30	1,046,697.58	31,400.93	\$103,030.49	943,667.09	\$134,431.42
13	7/31/31	943,667.09	28,310.01	\$106,121.41	837,545.68	\$134,431.42
14	7/31/32	837,545.68	25,126.37	\$109,305.05	728,240.63	\$134,431.42
15	7/31/33	728,240.63	21,847.22	\$112,584.20	615,656.43	\$134,431.42
16	7/31/34	615,656.43	18,469.69	\$115,961.73	499,694.70	\$134,431.42
17	7/31/35	499,694.70	14,990.84	\$119,440.58	380,254.12	\$134,431.42
18	7/31/36	380,254.12	11,407.62	\$123,023.80	257,230.32	\$134,431.42
19	7/31/37	257,230.32	7,716.91	\$126,714.51	130,515.81	\$134,431.42
20	7/31/38	130,515.81	3,915.47	\$130,515.81	-	\$134,431.28
		Totals	688,628.26	2,000,000.00		2,688,628.26

Pmt Due Date Note: Payment Date is determined by date of first draw.

Unless a deferral has been approved by the Board, annual loan repayments begin 13-19 months following the first disbursement of loan funds. If the first disbursement occurs between January 1 and June 30, the first loan repayment will be due July 31 of the following year. If the first disbursement occurs between July 1 and December 31, the first loan repayment will be due January 31 of the year following the first anniversary of disbursement.

Interest calculation method is by simple interest.

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Attachment 11: Eligible Costs for CERB Rural Broadband Projects

Eligible project costs are those incurred on or after the offer date of the Initial Offer of Financial Aid. This policy applies to eligible costs for CERB reimbursement and for eligible match expenditures.

CERB funds may be used to pay for the following construction-related expenses within the approved project's scope of work, commencing no earlier than the date of the Initial Offer of Financial Aid:

- Design, architectural, and engineering work;
- Building permits/fees;
- Archeological/historical review;
- Construction labor (*from external sources only*)* and materials;
- Demolition/site preparation;
- Capitalized equipment;
- Construction management (*from external sources only*);**
- Landscaping; and
- Real property when purchased specifically for the project, and associated costs.***

At least 90% of the funds awarded for the project must be used for the construction/equipment/land acquisition portion of the project.

***Construction labor** does **not** include work typically performed by employees of the applicant, unless the employee is hired solely and specifically to perform construction labor for the awarded project.

****Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does **not** include work typically performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the applicant, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

*****Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses.

Ineligible costs: Internal administrative activities, project management (from any source), fundraising activities, feasibility studies, computers or office equipment, rolling stock (such as vehicles), lease payments for rental of equipment or facilities, maintenance and operating, mortgages or property leases (including long-term), the moving of equipment, furniture, etc., between facilities, and salary & benefits for the employees of the applicant, and the cost of the technology used to extend broadband service to the end user.

CERB will not recognize any requests for project costs overruns.